

## Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ended March 31, 2021 [Japanese Standard]

August 7, 2020

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

Stock code: 6118 (URL <https://www.aida.co.jp/en/>)

Representative: Kimikazu Aida, Chairman &amp; President (CEO)

Contact: Hiromitsu Ugawa, Director, Operating Officer, Division Manager, General Administration Headquarters

Tel: +81-42-772-5231

Scheduled date of filing quarterly securities report: August 7, 2020

Scheduled beginning date of dividend payment: —

Preparation of supplemental explanatory materials: Yes

Holding of quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Results for 1st Quarter of the Fiscal Year Ended March 31, 2021 (April 1, 2020 to June 30, 2020)

## (1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

|                                  | Net sales       |        | Operating income |        | Ordinary income |        | Net income attributable to owners of parent |       |
|----------------------------------|-----------------|--------|------------------|--------|-----------------|--------|---|-------|
|                                  | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen                             | %     |
| Three months ended June 30, 2020 | 10,559          | (34.0) | 179              | (83.7) | 231             | (81.3) | (140)                                       | —     |
| Three months ended June 30, 2019 | 16,007          | (15.1) | 1,097            | (8.8)  | 1,239           | (9.5)  | 860   | (8.7) |

Note: Comprehensive income Three months ended June 30, 2020 458 million yen ( — %)  
 Three months ended June 30, 2019 (79) million yen ( — %)

|                                  | Net income per share | Diluted net income per share |
|----------------------------------|----------------------|------------------------------|
|                                  | Yen                  | Yen                          |
| Three months ended June 30, 2020 | (2.36)               | —                            |
| Three months ended June 30, 2019 | 13.94                | 13.91                        |

## (2) Consolidated Financial Position

|                      | Total assets    | Net assets      | Shareholders' equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|----------------------------|----------------------|
|                      | Millions of yen | Millions of yen | %                          | Yen                  |
| As of June 30, 2020  | 99,712          | 73,390          | 72.8                       | 1,218.99             |
| As of March 31, 2020 | 104,114         | 74,840          | 71.1                       | 1,243.15             |

Reference: Shareholders' equity As of June 30, 2020 72,603 million yen  
 As of March 31, 2020 74,031 million yen

## 2. Cash Dividends

|                                      | Cash dividends per share |        |        |          |       |
|--------------------------------------|--------------------------|--------|--------|----------|-------|
|                                      | 1Q End                   | 2Q End | 3Q End | Year-end | Total |
|                                      | Yen                      | Yen    | Yen    | Yen      | Yen   |
| Year ended March 31, 2020            | —                        | —      | —      | 30.00    | 30.00 |
| Year ended March 31, 2021            | —                        | —      | —      | —        | —     |
| Year ended March 31, 2021 (forecast) | —                        | —      | —      | 20.00    | 20.00 |

Note: Revision of dividend forecast for this period: Yes

## 3. Forecasts of Consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentages represent change compared to the previous period)

|                                     | Net sales       |        | Operating income |        | Ordinary income |        | Net income attributable to owners of parent |        | Net income per share |
|-------------------------------------|-----------------|--------|------------------|--------|-----------------|--------|---|--------|----------------------|
|                                     | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen                             | %      | Yen                  |
| Six months ended September 30, 2020 | 27,000          | (21.2) | 1,200            | (60.4) | 1,300           | (59.4) | 600   | (73.5) | 10.07                |
| Full year ended March 31, 2021      | 61,000          | (11.8) | 3,300            | (46.5) | 3,400           | (47.1) | 2,100                                       | (47.8) | 35.22                |

Note: Revision of forecasts of consolidated results: Yes

4. Others

(1) Changes among significant subsidiaries during the period: Yes

Out: 1 (Company Name: ACCESS, LTD.)

(2) Adoption of special accounting treatment for quarter financial report: Yes

Note: This refers to whether these above were used for preparing quarterly consolidated financial statements.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies due to revisions of accounting standards: None
2. Changes in accounting policies other than "1": None
3. Changes in accounting estimates: None
4. Retrospective restatement: None

(4) Number of shares outstanding (Common stock)

|   |                   |
|---|-------------------|
| 1. Total number of issued shares (Including treasury stock) |                   |
| As of June 30, 2020   | 69,448,421 shares |
| As of March 31, 2020  | 69,448,421 shares |
| 2. Total number of treasury stock                           |                   |
| As of June 30, 2020   | 9,888,143 shares  |
| As of March 31, 2020  | 9,896,566 shares  |
| 3. Average number of shares                                 |                   |
| Three months ended June 30, 2020                            | 59,555,570 shares |
| Three months ended June 30, 2019                            | 61,735,348 shares |

This financial results falls outside the scope of audit procedures.

Statement for proper use of business forecast and other special remarks:

The above forecasts and those presented in appended material are based on the information presently available. Actual results may differ from these forecasts due to changes in various factors.

## TABLE OF CONTENTS

|   |   |
|---|---|
| 1. Consolidated Financial Statements                                    |   |
| (1) Consolidated Balance Sheets.....                                    | 2 |
| (2) Consolidated Statements of Income and Comprehensive Income.....     | 4 |
| Consolidated Statements of Income.....                                  | 4 |
| Consolidated Statements of Comprehensive Income.....                    | 5 |
| (3) Notes to Going Concern Assumption.....                              | 6 |
| (4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity..... | 6 |
| (5) Segment Information.....  | 6 |
| 2. Supplementary Information  |   |
| Status of Orders .....  | 7 |

## 1. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of Yen)

|   | As of March 31, 2020 | As of June 30, 2020 |
|---|----------------------|---------------------|
| Assets  |                      |                     |
| Current assets                                      |                      |                     |
| Cash on hand and at banks                           | 28,723               | 25,845              |
| Notes and accounts receivable - trade               | 20,378               | 16,816              |
| Electronically recorded monetary claims - operating | 2,748                | 2,109               |
| Finished goods                                      | 2,618                | 3,258               |
| Work in process                                     | 10,662               | 11,502              |
| Raw materials and supplies                          | 3,557                | 3,788               |
| Other current assets                                | 3,102                | 3,387               |
| Allowance for doubtful accounts                     | (223)                | (225)               |
| Total current assets                                | 71,568               | 66,482              |
| Fixed assets  |                      |                     |
| Property, plant and equipment                       |                      |                     |
| Buildings and structures                            | 25,001               | 25,031              |
| Accumulated depreciation                            | (16,957)             | (17,120)            |
| Buildings and structures, net                       | 8,044                | 7,910               |
| Machinery and vehicles                              | 17,095               | 17,107              |
| Accumulated depreciation                            | (11,099)             | (11,359)            |
| Machinery and vehicles, net                         | 5,996                | 5,748               |
| Land  | 7,283                | 7,293               |
| Construction in progress                            | 377                  | 427                 |
| Other fixed assets                                  | 3,638                | 3,647               |
| Accumulated depreciation                            | (3,077)              | (3,119)             |
| Other fixed assets, net                             | 561                  | 527                 |
| Total property, plant and equipment                 | 22,263               | 21,906              |
| Intangible assets                                   | 743                  | 766                 |
| Investments and other assets                        |                      |                     |
| Investment securities                               | 5,944                | 6,967               |
| Insurance reserve fund                              | 2,324                | 2,355               |
| Net defined benefit assets                          | 814                  | 822                 |
| Deferred tax assets                                 | 331                  | 308                 |
| Other assets  | 156                  | 136                 |
| Allowance for doubtful accounts                     | (32)                 | (32)                |
| Total investments and other assets                  | 9,539                | 10,557              |
| Total fixed assets                                  | 32,546               | 33,230              |
| Total assets  | 104,114              | 99,712              |

(Millions of Yen)

|  | As of March 31, 2020 | As of June 30, 2020 |
|--|----------------------|---------------------|
| <b>Liabilities</b>                                       |                      |                     |
| <b>Current liabilities</b>                               |                      |                     |
| Accounts payable - trade                                 | 4,733                | 3,626               |
| Electronically recorded monetary obligations - operating | 3,369                | 2,498               |
| Short-term loans payable                                 | 2,991                | 3,026               |
| Current portion of long-term loans payable               | 500                  | 500                 |
| Accounts payable - other                                 | 707                  | 599                 |
| Income taxes payable                                     | 1,681                | 198                 |
| Advances received  | 6,134                | 6,711               |
| Accrued warranty costs                                   | 583                  | 512                 |
| Accrued bonuses for employees                            | 1,129                | 579                 |
| Accrued bonuses for directors                            | 49                   | 6                   |
| Provision for loss on orders received                    | 170                  | 151                 |
| Other current liabilities                                | 1,773                | 2,186               |
| <b>Total current liabilities</b>                         | <b>23,823</b>        | <b>20,597</b>       |
| <b>Long-term liabilities</b>                             |                      |                     |
| Long-term loans payable                                  | 1,000                | 1,000               |
| Long-term accounts payable - other                       | 883                  | 938                 |
| Deferred tax liabilities                                 | 1,445                | 1,642               |
| Accrued stock payments                                   | 463                  | 469                 |
| Net defined benefit liabilities                          | 1,387                | 1,411               |
| Other long-term liabilities                              | 271                  | 263                 |
| <b>Total long-term liabilities</b>                       | <b>5,450</b>         | <b>5,724</b>        |
| <b>Total liabilities</b>                                 | <b>29,273</b>        | <b>26,321</b>       |
| <b>Net assets</b>  |                      |                     |
| <b>Shareholders' equity</b>                              |                      |                     |
| Common stock   | 7,831                | 7,831               |
| Additional paid-in capital                               | 12,415               | 12,415              |
| Retained earnings  | 56,536               | 54,506              |
| Treasury stock   | (4,917)              | (4,913)             |
| <b>Total shareholders' equity</b>                        | <b>71,864</b>        | <b>69,839</b>       |
| <b>Accumulated other comprehensive income</b>            |                      |                     |
| Net unrealized gains on other securities                 | 2,638                | 3,240               |
| Deferred hedge gains (losses)                            | 47                   | 2                   |
| Foreign currency translation adjustments                 | (773)                | (717)               |
| Retirement benefit plan adjustments                      | 253                  | 239                 |
| <b>Total accumulated other comprehensive income</b>      | <b>2,166</b>         | <b>2,764</b>        |
| <b>Stock options</b>                                     | <b>139</b>           | <b>139</b>          |
| <b>Non-controlling interests</b>                         | <b>669</b>           | <b>647</b>          |
| <b>Total net assets</b>                                  | <b>74,840</b>        | <b>73,390</b>       |
| <b>Total liabilities and net assets</b>                  | <b>104,114</b>       | <b>99,712</b>       |

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of Yen)

|  | Three months ended<br>June 30, 2019 | Three months ended<br>June 30, 2020 |
|--|-------------------------------------|-------------------------------------|
| Net sales  | 16,007                              | 10,559                              |
| Cost of sales  | 12,640                              | 8,490                               |
| Gross profit   | 3,366                               | 2,068                               |
| Selling, general and administrative expenses                   | 2,268                               | 1,889                               |
| Operating income   | 1,097                               | 179                                 |
| Non-operating income   |                                     |                                     |
| Interest income  | 26                                  | 12                                  |
| Dividend income  | 91                                  | 81                                  |
| Foreign exchange gain  | 42                                  | —                                   |
| Other non-operating income                                     | 22                                  | 15                                  |
| Total non-operating income                                     | 182                                 | 109                                 |
| Non-operating expense  |                                     |                                     |
| Interest expenses  | 7                                   | 9                                   |
| Foreign exchange loss  | —                                   | 25                                  |
| Restructuring charges  | 28                                  | —                                   |
| Other non-operating expenses                                   | 5                                   | 21                                  |
| Total non-operating expenses                                   | 41                                  | 57                                  |
| Ordinary income  | 1,239                               | 231                                 |
| Extraordinary gain   |                                     |                                     |
| Gain on sales of fixed assets                                  | 0                                   | 0                                   |
| Subsidy income related to suspension or decrease of production | —                                   | 164                                 |
| Total extraordinary gain                                       | 0                                   | 165                                 |
| Extraordinary loss   |                                     |                                     |
| Loss on sales of fixed assets                                  | —                                   | 0                                   |
| Loss on disposal of fixed assets                               | 5                                   | 0                                   |
| Loss on labor accident   | 24                                  | —                                   |
| Loss on suspension or decrease of production                   | —                                   | 380                                 |
| Total extraordinary loss                                       | 29                                  | 380                                 |
| Income before income taxes                                     | 1,210                               | 16                                  |
| Income taxes   | 362                                 | 155                                 |
| Net income (loss)  | 848                                 | (138)                               |
| Net income (loss) attributable to non-controlling interests    | (12)                                | 1                                   |
| Net income (loss) attributable to owners of parent             | 860                                 | (140)                               |

Consolidated Statements of Comprehensive Income

(Millions of Yen)

|  | Three months ended<br>June 30, 2019 | Three months ended<br>June 30, 2020 |
|--|-------------------------------------|-------------------------------------|
| Net income (loss)  | 848                                 | (138)                               |
| Other comprehensive income                                     |                                     |                                     |
| Net unrealized gains (losses) on other securities              | (183)                               | 602                                 |
| Deferred hedge gains (losses)                                  | 36                                  | (45)                                |
| Foreign currency translation adjustments                       | (756)                               | 55                                  |
| Retirement benefit plan adjustments                            | (23)                                | (14)                                |
| Total other comprehensive income (loss)                        | (927)                               | 597                                 |
| Comprehensive income   | (79)                                | 458                                 |
| Comprehensive income attributable to owners of parent          | (67)                                | 457                                 |
| Comprehensive income attributable to non-controlling interests | (12)                                | 1                                   |

(3) Notes to Going Concern Assumption

None

(4) Notes Regarding Remarkable Fluctuation in Shareholders' Equity

None

(5) Segment Information

Three months ended June 30, 2019

(Millions of Yen)

|                        | Japan  | China | Asia  | Americas | Europe | Sub total | Adjustments<br>(*1) | Consolidated<br>statements of<br>income(*2) |
|------------------------|--------|-------|-------|----------|--------|-----------|---------------------|---|
| Sales                  |        |       |       |          |        |           |                     |   |
| Sales to third parties | 7,404  | 1,426 | 1,466 | 3,000    | 2,707  | 16,007    | —                   | 16,007                                      |
| Inter-segment sales    | 3,955  | 171   | 739   | 50       | 100    | 5,018     | (5,018)             | —   |
| Total sales            | 11,360 | 1,598 | 2,206 | 3,051    | 2,808  | 21,025    | (5,018)             | 16,007                                      |
| Segment profit or loss | 769    | 38    | 327   | 111      | (66)   | 1,180     | (82)                | 1,097                                       |

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.  
Adjustments of segment profit or loss refer to inter-segment transaction eliminations.
2. Segment profit or loss is adjusted to operating income of consolidated statements of income.

Three months ended June 30, 2020

(Millions of Yen)

|                        | Japan | China | Asia  | Americas | Europe | Sub total | Adjustments<br>(*1) | Consolidated<br>statements of<br>income(*2) |
|------------------------|-------|-------|-------|----------|--------|-----------|---------------------|---|
| Sales                  |       |       |       |          |        |           |                     |   |
| Sales to third parties | 5,614 | 1,248 | 867   | 1,796    | 1,032  | 10,559    | —                   | 10,559                                      |
| Inter-segment sales    | 2,605 | 152   | 536   | 20       | 10     | 3,324     | (3,324)             | —   |
| Total sales            | 8,219 | 1,401 | 1,403 | 1,816    | 1,043  | 13,884    | (3,324)             | 10,559                                      |
| Segment profit or loss | 264   | 46    | 10    | 54       | (115)  | 261       | (81)                | 179   |

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.  
Adjustments of segment profit or loss refer to inter-segment transaction eliminations.
2. Segment profit or loss is adjusted to operating income of consolidated statements of income.



## 2. Supplementary Information

### Status of Orders

Three months ended June 30, 2020

(Millions of Yen)

|          | Orders |   | Order backlog |  |
|----------|--------|---|---------------|--|
|          | Amount | Comparison with the previous period (%) | Amount        | Comparison with the end of previous year (%) |
| Japan    | 4,456  | (53.4)                                  | 19,859        | (5.5)  |
| China    | 2,199  | 88.2                                    | 6,209         | 18.1   |
| Asia     | 707    | (47.3)                                  | 2,921         | (5.2)  |
| Americas | 736    | (71.9)                                  | 5,001         | (17.5)                                       |
| Europe   | 905    | (63.4)                                  | 8,554         | (1.5)  |
| Total    | 9,004  | (47.5)                                  | 42,546        | (3.5)  |

Note:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.